

(b) The RRBs are incurring losses, inter-alia, due to narrow spread, restriction on choice of clientele and area of operation, low business volumes relative to branch network, poor recoveries and high establishment costs. A number of steps have been taken to bring an improvement in the performance of the RRBs and make them viable. These include, inter-alia, the following :-

- (i) Select RRBs have been given substantial equity support to cleanse the balance sheets. These RRBs have been selected on the basis of financial, recovery, growth and productivity parameters. A sum of Rs. 374 crores has been provided by the Government for equity support to 102 RRBs upto March 1996. During the current year, against an available budgetary allocation of Rs. 200 crores, an amount of Rs. 125 crores stands released for equity support to 15 more RRBs besides giving additional equity support to some of the RRBs already covered. The balance amount of Rs. 75 crores is likely to be released during the current year itself. Further, a provision of about Rs. 270 crores has been made for this purpose for the year 1997-98.
- (ii) Bank-Specific Development Action Plans (DAPs) have been prepared for bringing improvement in the performance of the RRBs in a specified time from of three to five years. Subsequent to the preparation of DAPs RRBs have entered into Memoranda of Understanding (MOUs) with their sponsor banks clearly specifying the performance obligations/commitments on their part. As at the end of December 1995, out of 196 RRBs, 192 RRBs have prepared DAPs and signed MOUs with their sponsor banks. As a part of DAPs, RRBs are required, inter-alia, to focus special attention on recovery strategies.
- (iii) Prudential accounting norms of income recognition and asset classification have been made applicable to RRBs in 1995-96 and provisioning norms have been made applicable from 1996-97.
- (iv) RRBs have been allowed better investment avenues such as fixed deposits in profit making term lending financial institutions, bonds of public sector institutions and non-convertible debentures of reputed blue chip companies. Besides, the RRBs have been permitted by RBI to deploy a part of their surplus non-SLR funds in the credit portfolio of their sponsor banks through non-risk

sharing participation certificates to be issued by the latter.

- (v) With a view to widening the range and scope of services, the RRBs have been allowed, with effect from 1.1.1994, to finance non-target group to the extent of 60% of their fresh lending.
- (vi) Seventy RRBs with disbursement of less than Rs. 2 crores during 1992-93 have been relieved of the service area obligations.
- (vii) RRBs have been allowed to relocate their loss making branches to relatively better locations within the service area.
- (viii) With effect from 26-08-1996, the Reserve Bank of India (RBI) has deregulated the interest rates that can be charged to the ultimate borrowers by the Regional Rural Banks.

#### Investment in Infrastructure sector

\*389. SHRI N.K. PREMCHANDRAN : Will the Minister of FINANCE be pleased to state :

- (a) the stipulation laid down by the Government to attract substantial investment in the infrastructure sector;
- (b) the present position in the infrastructure sector; and
- (c) further steps being taken to attract more investment in this sector ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Government has taken a number of initiatives in order to attract investment in the infrastructure sector. A 5-year tax holiday for companies developing, maintaining and operating infrastructure facilities such as roads, bridges, new airport, ports and railway projects, has been extended to cover water supply sanitation and sewerage projects and telecommunications. The provisions relating to foreign investment have been further liberalised to given automatic approval for foreign equity participation up to 74 per cent in key infrastructure sectors such as electricity generation and transmission, non-conventional energy generation and distribution and construction and maintenance of roads, bridges, railbeds, ports, runways, pipelines and harbours. The automatic approval list for foreign equity upto 51 per cent has been expanded to include support services for land and water transport.

(b) The present position of the infrastructure sector is not satisfactory. Six industries namely, electricity generation, coal, steel, crude oil, petroleum product and cement with a combined weight of 28.8 per cent in the

Index of Industrial Production (IIP) averaged a growth rate of 3.8 per cent in April-January, 1996-97, less than half the 8.2 per cent in April-January, 1995-96.

(c) 1997-98 Budget proposals include that Oil Exploration and Industrial Parks will qualify for the five year tax holiday under section 80IA of the Income Tax Act. An assignability agreement between the Department of Telecommunications and the financial institutions has been reached and this would facilitate funding of cellular and basic telecom projects. The Budget, 1997-98, provides for enhancement of budgetary support to the National Highways Authority of India from the existing Rs. 200 crore to Rs. 500 crore.

[Translation]

#### **Subsidence of Coal Mines**

\*390. SHRI RAVINDRA KUMAR PANDEY :  
DR. KRUPASINDHU BHOI :

Will the Minister of COAL be pleased to state :

(a) whether incident of land subsidence taking place in several coal fields;

(b) if so, the number of such cases came to the notice of the Government during the last three years;

(c) the estimated loss of human lives and property on account of these incidents; and

(d) the steps taken to provide proper safety to the people working in and living around the coal mining belt in the country ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) Yes, Sir. The problem of unplanned subsidence is mainly confined to Raniganj and Jharia coalfields of West Bengal and Bihar respectively.

There have been 25 incidents of subsidence in the above areas during the last three years i.e. 1994, 1995 and 1996.

(c) The incidents of subsidence did not result in any loss of life. However, there had been some damage to the property as given below :-

#### **Eastern Coalfields Limited**

- (i) A Kutcha hutment was partially damaged in the subsidence that took place in Pandaveswar area in 1994.
- (ii) A small wall was damaged in the subsidence that took place in Satgram Incline in 1995.
- (iii) Company's sub-stations was affected in the

subsidence that took place in Jambad OC in 1996.

- (iv) 24 company's quarters were partially damaged in the subsidence that took place in Naba Kajora in 1996.

#### **Bharat Cooking Coal Limited**

- (i) 3 unauthorised Kutcha houses developed cracks in the subsidence that took place at East Katras in January, 1995.
- (ii) 60 company's quarters were damaged in subsidence which took place at Bagdigi Colliery in August, 1995.
- (iii) 3 company's quarters were damaged in subsidence that took place at Bansdeopur Colliery in August, 1995.
- (iv) 22 dwellings and 350 quarters were affected due to subsidence at Loyabad Colliery in February, 1995.
- (v) 400 company's quarters and Agent's Office were affected in the subsidence that took place at Industry Colliery in May, 1995.
- (vi) 346 houses were affected in the subsidence that took place at East Bhuggatdih in March, 1996.
- (vii) 219 unauthorised private houses in Chouthai Kulhi area of Central Jharia at East Bhuggatdih developed cracks in October, 1996.

(d) Some of the steps taken to protect people living over the subsidence prone areas in Jharia and Raniganj coalfields are given below :

- (i) Wherever feasible, action is taken to stabilise unstable underground workings under the built-up area;
- (ii) To establish an innovative technology of hydropneumatic sand stowing, field trials are being carried out in 5 localities to stabilise water-logged underground workings under the built-up area;
- (iii) Delineation of water-logged unsurveyed underground voids has been examined through a number of research and development projects;
- (iv) The concerned coal companies have been publishing appeals in local newspapers informing the residents about the instability of the underground workings below the built-up area and requesting them to vacate;